

Senate Labor and Commerce Committee

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Explanation of Changes in Committee Substitute for Senate Bill 45 – Age for Nicotine/E-Cig; Tax E-Cig

“An Act raising the minimum age to purchase, sell, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to transporting tobacco, a product containing nicotine, or an electronic smoking product; relating to the taxation of electronic smoking products; relating to electronic smoking products; requiring a bond of electronic smoking product manufacturers; relating to the marketing of electronic smoking products; relating to tobacco products; and providing for an effective date.”

Sec. 10 – AS 21.96, Page 5, Lines 29-31, Page 6, Lines 1-11

Is amended by adding a new subsection AS 21.96.055 to require manufacturers of electronic smoking products sold in Alaska to file a bond of \$10,000,000 with the Division of Insurance on the condition that manufacturers must promise to pay monetary judgments related to product liability in the state. Persons having claims against an electronic smoking product manufacturer required to file a bond may bring suit on the bond for failure to pay a liability described in AS 21.96.055.

Sec. 17 – AS 43.50.320, Page 8, Lines 11-16

Is amended by adding a new subsection AS 43.50.320(i) to prohibit the distribution of flavored electronic smoking products and electronic smoking products designed or packaged so as not to be clearly recognizable as a tobacco product.

Sec. 22 – AS 43.50.350, Page 11, Lines 14-20

Is amended to insert an exception, described in Section 23, to the depositing of tax collected into the general fund, which may be used by the legislature to make appropriations for health care, health research, health promotion, and health education.

Sec. 23 – AS 43.50.350, Page 11, Lines 21-25

Is amended to add a new subsection AS 43.50.350 to direct tax collected on electronic smoking products to be accounted for separately and may be appropriated by the legislature to provide for education, programs, and advertising related to the hazards of electronic smoking products.

Sec. 26 – AS 43.50.390, Page 12, Lines 14-23

Is amended to update the definition of electronic smoking product to clarify that an “electronic smoking device” includes all parts, excluding batteries and battery chargers when sold separately.

Sec. 31 – AS 45.50.471(b), Page 16, Lines 3-6

Is amended by adding a new paragraph to prohibit the marketing of electronic smoking devices to persons under 21 years of age.